

**AMERICAN ELECTRIC POWER COMPANY, INC. AND  
ITS CONSOLIDATED AFFILIATES ---  
2013 TAX AGREEMENT REGARDING METHOD OF  
ALLOCATING CONSOLIDATED INCOME TAXES**

The below listed affiliated companies, joining in the annual filing of a consolidated federal income tax return with American Electric Power Company, Inc., agree to allocate the consolidated annual net current federal income tax liability and/or benefit to the members of the consolidated group in accordance with the following procedures:

- ( 1) The consolidated regular federal income tax, exclusive of capital gains and preference taxes and before the application of general business credits including foreign tax credits, shall be apportioned among the members of the consolidated group based on corporate taxable income. Loss companies shall be included in the allocation, receiving a negative tax allocation which is similar to a separate return carryback refund, before considering general business credits, which would have resulted had the loss company historically filed a separate return.
- ( 2) The corporate taxable income of each member of the group shall be first reduced by its proportionate share of American Electric Power Company, Inc.'s (the holding company) tax loss (excluding the effects of extraordinary items which do not apply to the regulated business) in arriving at adjusted corporate taxable income for each member of the group with positive taxable income.
- ( 3) To the extent that the consolidated and corporate taxable incomes include material items taxed at rates other than the statutory tax rate (such as capital gains and preference items), the portion of the consolidated tax attributable to these items shall be apportioned directly to the members of the group giving rise to such items.
- ( 4) General business credits, other tax credits, and foreign tax credits shall be equitably allocated to those members whose investments or contributions generates the tax credit.
- ( 5) If the tax credits can not be entirely utilized to offset the consolidated tax liability, the tax credit carryover shall be equitably allocated to those members whose investments or contributions generated the credit.
- ( 6) Should the consolidated group generate a net operating tax loss for a calendar year, the tax benefits of any resultant carryback refund shall be allocated proportionately to member companies that generated corporate tax losses in the year the consolidated net operating loss was generated. Any related loss of general business credits, shall be allocated to the member companies that utilized the credits in the prior year in the same

proportion that the credit lost is to the total credit utilized in the prior year. A consolidated net operating tax loss carryforward shall be allocated proportionately to member companies that generated the original tax losses that gave rise to the consolidated net operating tax loss carryforward.

- ( 7 ) A member with a net positive tax allocation shall pay the holding company the net amount allocated, while a tax loss member with a net negative tax allocation shall receive current payment from the holding company in the amount of its negative allocation. The payment made to a member with a tax loss should equal the amount by which the consolidated tax is reduced by including the member's net corporate tax loss in the consolidated tax return. The holding company shall pay to the Internal Revenue Service the consolidated group's net current federal income tax liability from the net of the receipts and payments.
- ( 8 ) No member of the consolidated group shall be allocated a federal income tax which is greater than the federal income tax computed as if such member had filed a separate return.
- ( 9 ) In the event the consolidated tax liability is subsequently revised by Internal Revenue Service audit adjustments, amended returns, claims for refund, or otherwise, such changes shall be allocated in the same manner as though the adjustments on which they are based had formed part of the original consolidated return using the tax allocation agreement which was in effect at that time.

Any current state tax liability and/or benefit associated with a state tax return involving more than one member of the consolidated group, shall be allocated to such members following the principles set forth above for current federal income taxes. Due to certain states utilizing a unitary approach, the consolidated return liability may exceed the sum of the liabilities computed for each company on a separate return basis. If this occurs, the excess of the consolidated liability over the sum of the separate return liabilities shall be allocated proportionally based on each member's contribution to the consolidated apportionment percentage. If additional tax is attributable to a significant transaction or event, such additional tax shall be allocated directly to the members who are party to said transaction or event.

This agreement is subject to revision as a result of changes in federal and state tax law and relevant facts and circumstances.

The above procedures for apportioning the consolidated annual net current federal and state tax liabilities and expenses of American Electric Power Company, Inc. and its consolidating affiliates have been agreed to by each of the below listed members of the consolidated group as evidenced by the signature of an officer of each company.

**COMPANY**

**OFFICER'S  
SIGNATURE**

American Electric Power Company, Inc.



American Electric Power Service Corporation



AEP Appalachian Transmission Company, Inc.



AEP C&I Company, LLC



AEP Coal, Inc.



AEP Credit, Inc.



AEP Desert Sky GP, LLC



AEP Desert Sky LP II, LLC



AEP Elmwood LLC



AEP Energy, Inc.



AEP Energy Partners, Inc.



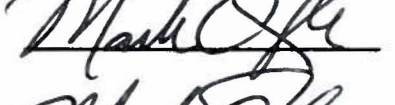
AEP Energy Services, Inc.



AEP Energy Services Gas Holding Company



AEP Energy Supply LLC



**AEP Fiber Venture, LLC**



**AEP Generating Company**



**AEP Generation Resources, Inc.**



**AEP Indiana Michigan Transmission Company, Inc.**



**AEP Investments, Inc.**



**AEP Kentucky Coal, LLC**



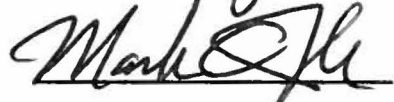
**AEP Kentucky Transmission Company, Inc.**



**AEP Nonutility Funding, LLC**



**AEP Ohio Transmission Company, Inc.**



**AEP Oklahoma Transmission Company, Inc.**



**AEP Pro Serv, Inc.**



**AEP Properties, LLC**



**AEP Resources, Inc.**



**AEP Retail Energy Partners, LLC**



**AEP River Operations, LLC**



**AEP Southwestern Transmission Company, Inc.**

Mark Egle

**AEP T & D Services, LLC**

Mark Egle

**AEP Texas Central Company**

Mark Egle

**AEP Texas Central Transition Funding, LLC**

ME

**AEP Texas Central Transition Funding II, LLC**

ME

**AEP Texas Central Transition Funding III, LLC**

ME

**AEP Texas Commercial & Industrial Retail GP, LLC**

Mark Egle

**AEP Texas Commercial & Industrial Retail Limited Partnership**

Mark Egle

**AEP Texas North Company**

Mark Egle

**AEP Texas North Generation Company, LLC**

Mark Egle

**AEP Transmission Company, LLC**

Mark Egle

**AEP Transmission Holding Company, LLC**

Mark Egle

**AEP Transmission Partner, LLC**

Mark Egle

**AEP Utilities, Inc**

Mark Egle

**AEP Utility Funding, LLC**

Mark Egle

**AEP West Virginia Transmission Company, Inc.**



**AEP Wind GP, LLC**



**AEP Wind Holding, LLC**



**AEP Wind LP II, LLC**



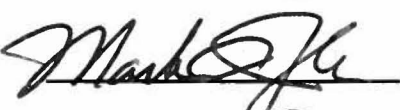
**Appalachian Consumer Rate Relief Funding LLC**



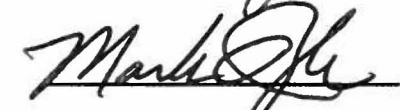
**Appalachian Power Company**



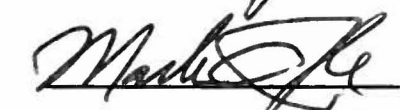
**Avigent**



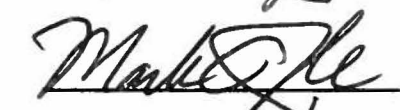
**Blackhawk Coal Company**



**BlueStar Energy Holdings, Inc.**



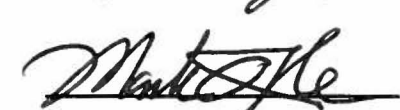
**BSE Holdco, LLC**



**BSE Solutions, LLC**



**Cedar Coal Company**



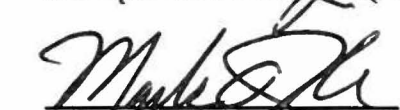
**Central Appalachian Coal Company**



**Central Coal Company**



**Conesville Coal Preparation Company**



Conlease, Inc.

Mark O'Leary

CSW Energy, Inc.

Mark O'Leary

CSW Energy Services, Inc.

Mark O'Leary

Dolet Hills Lignite Company, LLC

Mark O'Leary

Franklin Real Estate Company

Mark O'Leary

Indiana Franklin Realty, Inc.

Mark O'Leary

Indiana Michigan Power Company

Mark O'Leary

Kentucky Power Company

Mark O'Leary

Kingsport Power Company

Mark O'Leary

Mutual Energy SWEPCO LP

Mark O'Leary

Ohio Phase-In Recovery Funding LLC

gjk

Ohio Power Company

Mark O'Leary

Price River Coal Company, Inc.

Mark O'Leary

Public Service Company of Oklahoma

Mark O'Leary

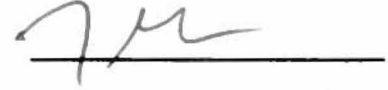
REP General Partner LLC

Mark O'Leary

**REP Holdco, LLC**



**Snowcap Coal Company, Inc.**



**Southern Appalachian Coal Company**



**Southwest Arkansas Utilities Corp.**



**Southwestern Electric Power Company**



**United Sciences Testing, Inc.**



**Wheeling Power Company**

